



Recommendation for Action

File #: 22-3791, Agenda Item #: 31.

1/26/2023

Posting Language

Authorize negotiation and execution of a multi-term contract to provide third party reviews of economic development agreements with RSM US LLP, for a term of up to five years in an amount not to exceed \$560,000.

[Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C (Minority Owned and Women Owned Business Enterprise Procurement Program). For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established].

Lead Department

Financial Services Department.

Client Department(s)

Economic Development Department.

Fiscal Note

Funding in the amount of \$112,000 is available in the Fiscal Year 2022-2023 Operating Budget of the Economic Development Department. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Financial Services Department issued a Request for Proposals (RFP) 5500 JTH3026REBID for these services. The solicitation was issued on July 20, 2022 and closed on August 11, 2022. Of the three offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Solicitation Documents](https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=137244)
<https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=137244>.

For More Information:

Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Al Drayton, at 512-974-2298 or Alfonso.Drayton@austintexas.gov
<<mailto:Alfonso.Drayton@austintexas.gov>>.

Additional Backup Information:

The contract will provide independent third-party reviews to verify compliance with the terms and requirements in economic development incentive agreements and agreements related to participation in the Texas Major Events Reimbursement Program (MERP) and/or the Texas Events Trust Fund (ETF). In accordance with Resolution No. 20071206-049 and Ordinance 20090312-005, the Council is committed to making the administration of City of Austin economic development agreements a transparent process and requires that compliance reviews for economic development agreements be verified by an independent third party and the results of those independent reviews be made available for public inspection.

The City currently has six active Chapter 380 agreements with five companies. Terms range from one year for Creative Content Incentive Program (CCIP) agreements to 20 years for some Business Relocation and Expansion agreements. For agreements other than CCIP agreements, the Economic Development Department (EDD) typically begins each annual review in February. Each company must meet its performance requirements during each year of the term to qualify for a Chapter 380 payment for that year. In addition to the Chapter 380 agreements, the City has active agreements with the Circuit of the Americas (COTA) and the Circuit Events Local Organizing Committee for annual MERP and ETF events at COTA.

The contractor has conducted third party independent reviews of EDD's Chapter 380 incentive agreements and MERP/ETF events at COTA since 2007. This contract is replacing an existing contract which expires July 2023. This contract should start February 1, 2023, so the term runs concurrently with EDD's review process. The authorization amounts were determined by allocating funding for the maximum estimated number of reviews which could take place in any given year. The recommended contractor is the current provider for these services.

An evaluation team with expertise in this area evaluated the offers and scored RSM US LLP as the best to provide these services based on experience providing agreed upon procedures reports to state and local governmental entities, price, local preference, experience in providing independent audit and attestation service engagements, licensed Certified Public Accountant and in good standing with the Texas Board of Public Accountancy, and service-disabled veteran business enterprise.

Contract Detail:

Contract Term	Length of Term	Contract Authorization
Initial Term	1 yr.	\$112,000
Optional Extension 1	1 yr.	\$112,000
Optional Extension 2	1 yr.	\$112,000
Optional Extension 3	1 yr.	\$112,000
TOTAL	5 yrs.	\$560,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.

Strategic Outcome(s):

Economic Opportunity and Affordability.